

Texas Employment Forecast

 [dallasfed.org/research/forecast/2022/emp220311](https://www.dallasfed.org/research/forecast/2022/emp220311)

Texas Economy

March 11, 2022

The Texas Employment Forecast estimates that jobs will increase by 2.9 percent in 2022—with an 80 percent confidence band of 2.1 to 3.8 percent—based on national GDP forecasts, COVID-19 hospitalizations and oil futures prices. The forecast suggests that 382,000 jobs will be added in the state this year, and employment in December 2022 will be 13.4 million (*Chart 1*).

Texas employment grew an annualized 3.6 percent in January after increasing a revised 3.4 percent in December 2021. The Texas Leading Index held steady in January after increasing for eight consecutive months, suggesting an overall unchanged growth outlook over the next six months.

“January job growth remained robust as COVID-19 cases retreated in the second half of the month,” said Christopher Slijk, Dallas Fed associate economist. “Employment growth held steady or picked up across most service sector industries, while goods-producing sectors—disproportionately affected by supply-chain disruptions, according to February data from the Texas Business Outlook Surveys—saw more constrained job growth.”

With the release of the January data, the Texas Workforce Commission performed its annual benchmarking process. These revisions show that Texas regained its prepandemic level of employment in December 2021.

The Texas Leading Index was roughly flat in January following December’s rapid growth (*Chart 2*). Growth in the index components was mixed; declines in new claims for unemployment and a surge in the oil price were significant positive contributors, while declines in help-wanted advertisement and the stock prices of Texas-based companies were negative contributors. Mixed performance in other leading indicators for manufacturing, energy and the U.S. economy resulted in no net change in the Texas Leading Index.

Chart 1
Texas Job Forecast Predicts 2.9 Percent Growth in 2022

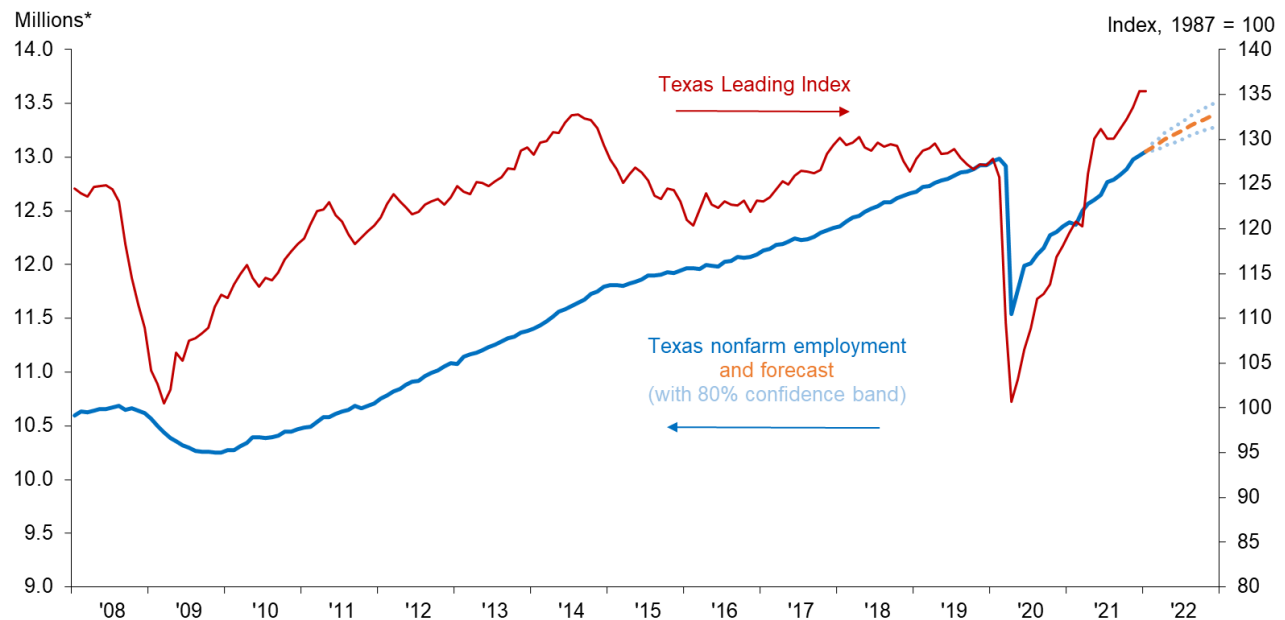
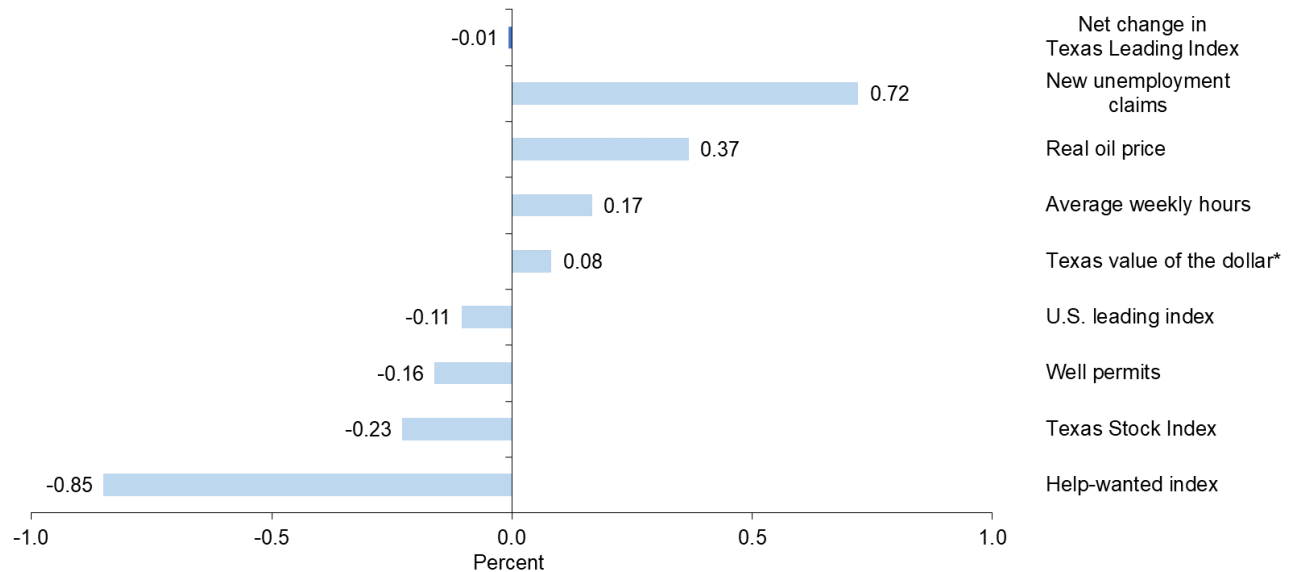


Chart 2
Leading Index Components Mixed
(Net contributions to change in Texas Leading Index)



NOTES: Percent change from December 2021 to January 2022, seasonally adjusted. Texas value of the dollar is a preliminary estimate from the Dallas Fed.

SOURCE: Federal Reserve Bank of Dallas.

Next release: April 15, 2022

Methodology

The Dallas Fed Texas Employment Forecast projects job growth for the calendar year and is estimated as the 12-month change in payroll employment from December to December.

Due to the rapid onset of the COVID-19 pandemic, the forecasting model used in this release of the Dallas Fed Texas Employment Forecast differs from the model used historically. In this case, payroll employment is estimated based on expectations for U.S. GDP growth for 2022, an estimate of direct COVID-19 impacts from March to June 2020, projected hospitalizations in Texas for COVID-19 from the Institute for Health and Metrics Evaluation, and expected prices of West Texas Intermediate crude oil based on the futures curve.

For additional details, see dallasfed.org/research/forecast/

Contact Information

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